

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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12 March 1959

A. Political-Economic1. Khrushchev's Visit to the GDR

The course which Khrushchev's visit to the GDR has taken so far indicates that his trip was primarily designed to have an intensive propaganda effect in the zone itself, with the Western powers and particularly in West Germany. New decisions will apparently not be taken.

In several speeches made by the Soviet Party chief and GDR potentates the conclusion of a separate peace treaty with the GDR was again announced. Several reports hint at the possibility, however, that, although the conclusion of a separate peace treaty was being prepared by the USSR, the GDR and the other East Bloc countries, the East Bloc peace conference was postponed for the time being. An invitation to Poland and Czechoslovakia to come to East Berlin was probably desisted from in view of the fact that it is intended to let these countries participate in the Foreign Ministers' conference. As early as 28 February 1959, Soviet Ambassador Fervukhin, by order of the Kremlin, informed Ulbricht and Grotewohl accordingly. The late summer or fall of 1959 was mentioned in this connection as the earliest possible date for a peace conference in the event that the Western powers should not show any readiness during the forthcoming negotiations to conclude a peace treaty with Germany. According to another report, Khrushchev, on 4 March, i.e. prior to his speech in Leipzig, stated before the SED leadership that the SED must subordinate their justified interest in a separate peace treaty to the overall East Bloc interest in a peaceful settlement of European problems.

The reason stated by Khrushchev for such a course reveal Moscow's present assessment of the situation. According to this assessment, the conclusion of a separate peace treaty at the present moment might diminish the chances for a Foreign Ministers' and a summit conference such as they became visible in the Western Notes and Macmillan's visit to Moscow. The chances for successful negotiations have never been more favorable to the Kremlin than now. On the other hand there is a possibility that the West might counter too stiff a course of the East Bloc by the realization of actually existing plans for a reinforcement of US troops in Europe and an atomic rearmament of NATO forces including the West German Army. The realization of these plans would create accomplished facts which it would be very difficult to cancel again and would paralyze the opposition against the atomic rearmament of the West German Army as it exists in West Germany and Western Europe.

As a matter of fact, this would cross Khrushchev's plans, because, as several reports indicate, Khrushchev hopes he may be able to make progress in the realization of Soviet targets in the Berlin question and the question of a German peace treaty by a detour via the establishment of a zone of disengagement in Central Europe. According to Soviet views, the establishment of such a militarily thinned-out and de-nuclearized zone would lead to a consolidation of the status quo in Central Europe and thus bring about the fixing

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of the gains of World War II as desired by Khrushchev. An East-West security pact coupled with such a development and designed to forestall any right of intervention on the present line of demarcation either by the Western powers or the USSR might to some extent be considered as a substitute to a Soviet-designed peace treaty, although it must not be overlooked that Khrushchev very clearly stated the alternative of either a peace treaty for Germany signed by all powers involved or a separate peace treaty.

For the time being it is not yet clear if the USSR will agree to the inclusion of the problem of European security in the agenda for the envisaged Foreign Ministers' conference and if they will show sufficient flexibility at least in the discussion of this topic so that the American demand for an adequate preparation for a summit conference will be satisfied. These two prerequisites may be fulfilled because Khrushchev, after his talks with Macmillan, apparently believes that there exist differences of opinion between the Western powers particularly regarding security questions which he wants to exploit.

According to Soviet practice, Khrushchev's new proposal concerning the more or less symbolic stationing in West Berlin of troop contingents of the four big powers is offered by way of compromise. Actually, however, this proposal means only an immaterial softening of Soviet demands and in no way a step suitable to compensate the concessions expected from the West. In spite of this, the new proposal, according to Moscow, contains elements which would enable the two sides to come to an agreement without losing face. This Soviet optimism is based on the fact that the Kremlin feels justified in the assumption that there are certain differences in the attitude taken by the individual Western powers also toward this question.

Summarizing it may be stated that Khrushchev's attitude which appears to be contradictory in so many respects reflects his hopes for Western disunity which make it appear possible to him that progress may be achieved in a way desired by the Soviets in some field of the coming negotiations, either regarding Berlin or the problem of European security. In view of this situation his specious flexibility in the matter of dates is motivated by his anxiety lest existing chances for negotiations be spoiled by premature steps.

2. Shift in the SED Propaganda on the Berlin and German Questions

As has been repeatedly reported, the previous SED propaganda slogans regarding Berlin and the German peace treaty have met with considerable opposition on the side of the GDR people. Thus for instance, open opposition against a definite recognition of the Oder-Neisse line was voiced in some rallies and equality of right was demanded for Germany regarding scientific research in the field of rockets and atomic weapons. In the group of medium-level SED functionaries considerable doubts concerning the advisability of handling the Berlin and Germany questions from a position of strength came to light. In private talks the opinion was voiced that also the USSR was bound to make certain concessions.

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The Kremlin has now expressly ordered Pankow to change its previous line in the propaganda for a German peace treaty which more or less was directed at the promotion of a separate peace treaty for East Germany. The SED propaganda concerning Berlin which so far had stressed the 27 May as the final date for the solution of the Berlin question and which had not refrained from threats of force must also be revised.

As has been learned just now, the reshuffle in the leading personnel of the SED Berlin District Headquarters has been carried out at the request of the Soviets because the line pursued by this agency was not only held responsible for the dismal failure during the West Berlin elections but had ultimately also provided the Western Allies with arguments justifying their tough attitude. Pankow, in adapting its policies to the Soviet course, now intends, for tactical reasons, to follow a much more moderate line in its agitation. With the help of well-trained young functionaries from the ranks of the FDJ it is intended to appeal to the opportunist and discontented bourgeois groups in West Berlin in order to establish a platform for joint opposition against the West Berlin Senate. All apprehensions concerning planned acts of force are to be declared as void of any foundation. It is to be stressed that the offer for the establishment of a Free City was meant honestly and seriously. Furthermore, the threat of the conclusion of a separate peace treaty is to be represented as a means of pressure on the side of the Kremlin and emphasis is to be laid on the fact that this threat must not be regarded as a serious policy.

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B- Armed Forces**GDR****1. Order of Battle**

Stepped-up day and night construction work has allegedly been done in the area of the former OKW Camp Wuensdorf-Zossen. Upon completion, these buildings which are being constructed two to three stories underground, are to be made available to the Ministry for National Defense [redacted]

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[redacted] Comment. The information supports the assumption that in periods of tension higher-echelon staffs of the Ministry for National Defense will transfer to the immediate vicinity of the GSFG headquarters [redacted]

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2. Recruiting and Replacement Administration

- a. In Feb/Mar, an 8-week training course on all weapons is to be held at Eggesin post for about 2,000 reservists, especially NCOs. Training courses for officers, including staff officers, and generals are allegedly to be conducted at the same time [redacted]

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[redacted] Comment. It could not yet be determined whether the officers are regular or reserve officers.

- b. An officer is said to have stated at an assembly of personnel, foremen and trade union officials of enterprises in Fuerstenwalde in early Feb that the share of youths in the building-up of the NVA was insufficient. In the future each newly recruited soldier was to receive 50.- DME as a stimulus to enrol with the NVA [redacted]

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G. ArmyI. USSR1. Order of Battle (USSR)

According to Soviet press reports of 25 Jan 1959 from Riga, the banners of the Letvian guards divisions and regiments were handed over to the Museum of the Revolution of the Letvian SSR in a ceremony on 23 Jan 1959. The director of the museum expressed his gratitude to the Minister of Defense, the Central Museum of the Soviet Army and the Headquarters of the Baltic MD. Present were: Lt Gen Brantkaln, former Commander of the Letvian Guards Corps; Maj Gen Kalnynj, former Commander of the 43rd Letvian Rifle Div; and Maj Gen Damberg, former Commander of the 308th Rifle Div.

Comment. The 43rd Gds Letvian Rifle Div, which had been activated from the 201st Letvian Rifle Div in Oct 1942, was last confirmed in the Riga area in Aug 1949. Later on, presumably after the events in Hungary in 1956, the division was disbanded and the banners, for the time being, turned over to the Central Museum of the Soviet Army. There are several indications that, after the above division had been disbanded, another still u/1 division was stationed in the Riga area.

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The 308th Letvian Rifle Div has no longer been confirmed after the end of WW II; it was presumably disbanded shortly after the war.

The following Estonian, Letvian and Lithuanian divisions, which were observed during the war, were presumably also disbanded:

7th Estonian Rifle Div	last confirmed in Nov 1946
16th Lithuanian Rifle Div	last confirmed in Apr 1949 (there are several indications that the div had not been disbanded before 1956 (Hungarian Revolution))
129th Letvian Rifle Div	last confirmed in Apr 1951
179th Lithuanian Rifle Div	-
181st Letvian Rifle Div	last confirmed in Sep 1941 (defeated already in Sep 1941 near Staraya-Russa)
182nd Estonian Rifle Div	last confirmed in Sep 1946
249th Estonian Rifle Div	-

Some of the Polish divisions known from WW II have been taken over by the new Polish Army.

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2. Training (GDR)

Until early March, intensive training activity had been continued at training grounds near posts. Tank and mts rifle units conducted small-scale combat and driving practice also at night. Winter training of combined units was still being observed at Lieberose and Ohrdruf training grounds, while numerous arty units continued to rotate to Justerbog and Letslinger Heide training grounds for firing practices. Starting 7 Mar, several AAA units returned to their posts from Wustrow firing range.

The following observations were made:

a. Winter Training

17-19 Feb,	major elms of the Engr Bn from Eberswalde and major elms of the Arty Regt from Frankfurt/Oder participated in exercises of 2 mts rifle regts/6th Gds Mts Rifle Div in the Lieberose-Beeskow area [redacted]	25X1
17-18 Feb,	u/i tank and mts rifle units from the area of the Eighth Gds Army, reinforced by elms/43rd Gds Arty Brig held exercises in the Arnstadt area and at Ohrdruf training grounds [redacted]	25X1
25 Feb,	beginning of exercises by elms/9th Gds Tank Div, including tank units from Guestrow/Priemerwald at an u/i training area [redacted]	25X1
3-4 Mar,	elms/1st Mts Rifle Div, main body/24th Gds Mts Rifle Regt from Berlin/Karlshorst and elms/Arty Regt, AAA Regt, Engr Bn and the RL Bn from Doeberitz held exercises in the area of Lieberose training grounds and Beeskow [redacted]	25X1

b. Arty Training

20-26 Feb,	elms/u/i AT Regt/Twentieth Gds Army from Fuerstenwalde transferred to Lieberose training grounds for firing practices [redacted]	25X1
21 Feb,	major elms/Arty Regt/19th Gds Tank Div returned to Magdeburg from firing practices in Letslinger Heide [redacted]	25X1

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- 24 Feb, elms/65th Mortar Brig/6th Arty Div transferred from Brandenburg to Werder-Markendorf training grounds for firing practices [] 25X1
- 25 Feb- u/i arty units continued to rotate to
3 Mar, Justerbog training grounds for firing practices [] 25X1
- 2 Mar, Army arty units/Third Gds Army transferred from Justerbog to Letslinger Heide, presumably for firing practices [] 25X1
- 3-4 Mar, elms/2nd Arty Brig/Second Gds Tank Army transferred from Doeberitz presumably to a training grounds in the Magdeburg district [] 25X1
- 4 Mar, elms/34th Arty Div/GSFG transferred from Potsdam to Letslinger Heide. possibly for firing practices [] 25X1
- c. AAA Training
- 7-10 Mar, upon completion of the second firing period AAA units returned to their posts from Wustrow firing range [] 25X1

[] Comment. The extent of troop movements between posts and training grounds in the GDR is indicative of exercises at reinforced regimental level at least of four divisions. The fact that major elms/1st Mts Rifle Div conducted several-day exercises already for the third time within six weeks, tends to indicate that the Soviet attach special importance to the operational readiness of this division. In the first week of March, an u/i winter exercise was presumably started in the area of the Eighth Gds Army. 25X1

II. GDR

Training

1. On 20 Feb 1959, a tank unit/2nd Mts Rifle Regt practiced a large-scale alert at Stahnsdorf railroad station [] 25X1

At 0500 on 4 Mar 1959, NVA and Alert Police officers and NCOs living outside of the barracks in Potsdam were alarmed. A departure of units was, however, not observed [] 25X1

[] Comment. At present, special stress seems to be laid on short-term march readiness. The alarming of the officers and NCOs in Potsdam may have been connected with Khrushchev's visit to the GDR. 25X1

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2. Between 16 and 24 Feb, day and night arty firing and combat practices by inf units up to battalion strength together with arty units were held at Kliets training grounds [redacted]

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[redacted] Comment. The above information refers to the firing and combat practices which are normal at this time of the year.

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3. Winter exercises were scheduled to start in the Hars area between 4 and 20 Mar and gradually to extend to Thuringia. Elms/11th Mts Rifle Div, presumably Soviet Army units and NVA flying units were to participate in the exercises. Preparatory exercises have already been conducted by all div units/11th Mts Rifle Div and 11th Tank Regt [redacted]

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[redacted] Comment. There are indications that the Soviet units involve the 57th Gds Mts Rifle Div with hq in Naumburg. No definite information is available on the actual beginning of the exercises.

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4. On 2 Mar, elms/1st AAA Regt (1st Mts Rifle Div) transferred to a firing range on the Baltic Sea for firing practices [redacted]

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[redacted] Comment. It can be assumed that the firing practices were held at Wustrow Peninsula. This assumption is supported by the observation of two shipments which, on 2 Mar, went from Potsdam-Wildpark to RBD-district Schwerin (Neubukow).

5. It was rumored that, in early Feb, elm/4th Mts Rifle Div and border police units held several-day exercises near the border [redacted]

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E. Navy

GDR

The below tabulation gives a survey of the workforce and the annual turnover of the GDR Shipyards.

Compared to a survey of August 1958, the present tabulation shows that a further decline of the total labor force by approximately 6.9 percent, and a 10.6 percent reduction alone with the production workers. Needless to say that the decrease of incoming orders primarily affects the production workers. The share of production workers of the total personnel has increased. In some of the central shipyards they make up more than 80 percent of the workforce and in smaller shipyards they make up less than 70 percent.

The following data were given:

Shipyard	Total Workforce 31 December 1958	In the production	Total of Women employees	1 9 5 8 Turnover in millions DME
Warnemunde	6,200	4,930 79.5 %	1,480	23.9 % appr. 190
Wismar	6,000	4,560 76 %	1,260	21 % " 190
Rostock	6,500	5,540 85 %	1,380	21.2 % " 170
Stralsund	5,090	4,200 82.6 %	660	13 % " 200
Rosslau	2,050	1,240 60.5 %	280	13.6 % " 43
Boizenburg	1,540	1,200 78 %	210	13.6 % " 44
Brandenburg	1,210	740 61 %	175	14.5 % " 30
Rothensee	1,100	710 64.4 %	146	13.3 % " 20
Fuerstenberg	620	410 66.2 %	80	12.9 % " 15
Oderberg	380	260 68.5 %	38	10 % " 7
Rechlin	580	420 72.5 %	25	4.3 % " 11
Berlin	1,470	1,020 69.2 %	264	18 % " 39
Wolgast	2,850	2,080 73 %	460	16.1 % " 61
	35,590	27,310 76.6 %	6,458	18.2 % appr. 1,020

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